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United Nations Conference on Trade and Development

Report of the Trade and Development Board

Twenty-third, twenty-fourth and twenty-fifth executive sessions and forty-seventh session

General Assembly

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Part one
Report of the Trade and Development Board on its twenty-third executive session (Geneva, 17 December 1999 and 27 January 2000)*

* Originally issued under the symbol A/55/15 (Part I).

Synoptic record of the proceedings of the Trade and Development Board at its twenty-third executive session

Item 1: Adoption of the agenda

1. The Board adopted the provisional agenda for its twenty-third executive session (TD/B/EX(23)/1).

Item 2: Report of the Preparatory Committee of the Whole

2. At the first part of the executive session, on 17 December, the Board was informed that the Preparatory Committee of the Whole had not been able to complete its work on the pre-Conference text for UNCTAD X (TD(X)/PC/CRP.3). The Bureau would meet on 17 January 2000 and the executive session of the Board would be reconvened on 27 January 2000. Informal consultations would be held in the intervening period.

3. At the second part of the executive session, on 27 January 2000, the Board took note of the pre-Conference text as submitted by the Preparatory Committee and requested the President of the Board to transmit the text to the Conference. (The text was subsequently issued in document TD/L.361.)

Item 3: Institutional, organizational, administrative and related matters

(a) Designation of intergovernmental organizations for the purposes of rule 76 of the rules of procedure of the Board

4. The Board decided that the Community of Portuguese-speaking Countries (CPLP) should be designated under rule 76 of the rules of procedure so that it might participate in the deliberations of the Conference, the Board and its subsidiary organs.

5. The Board noted that the Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR) had changed its name to Maritime Organization for West and Central Africa (MOWCA), and that the West African Clearing House (WACH) had changed its name to West African Monetary Agency (WAMA).

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

6. The Board decided that the Africa Resources Trust (ART), Focus on the Global South, and the Catholic Fund for Overseas Development (CAFOD) should be granted status and classified in the general category, in accordance with paragraph 12(a) of Board decision 43(VII).

(c) Preparations for the review by the tenth session of the Conference of the lists of States annexed to General Assembly resolution 1995(XIX)

7. The Board was informed that consultations were proceeding and would continue.

(d) Membership of the Working Party

8. The Board was informed that consultations were proceeding and would continue.

Item 4: Other matters

9. In accordance with established practice, Zimbabwe was drawn by lot to be first in the alphabetical order to be used for seating arrangements at UNCTAD X.

10. The Board was informed that the secretariat was making available to it an informal paper on "Improving the functioning and the structure of the intergovernmental machinery of UNCTAD".

Item 5: Report of the Board on its twenty-third session

11. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

Part two
Report of the Trade and Development Board on its twenty-fourth executive session (Geneva, 24 March 2000)*

* Originally issued under the symbol A/55/15 (Part II).

Chapter I

FOLLOW-UP TO THE OUTCOME OF THE TENTH SESSION OF THE CONFERENCE

(Agenda item 2)

Opening statements

1. **The Secretary-General of UNCTAD** said that UNCTAD X had benefited from a rare combination of positive circumstances, both internal and external to the organization. First of all, it had been a matter of the right timing: in the aftermath of the WTO Ministerial Conference at Seattle, Governments had been determined not to repeat that failure. Secondly, the Conference had been held at the right place, as the host country, Thailand, under the leadership of Deputy Prime Minister Supachai Panitchpakdi, had made an outstanding commitment to its success, approaching it with a sense of ownership that extended beyond the Government to the press, civil society and the population as a whole.

2. Thirdly, there was the contribution made by the preparatory process, led by the preparatory committee of the G-77 and China; the role of the regional meetings in building a conciliatory atmosphere; and the sizeable contribution made by the President of the Board. And fourthly, there were the secretariat's own innovations and input, in considering form and substance to be inseparable; in using the meeting room screen for drafting and negotiating texts; and in bringing together the heads of international organizations to address economic and social issues related to UNCTAD's mandate and their possible contribution to UNCTAD's work.

3. It was now, however, time to live up to the expectations that had been created at Bangkok and to keep up the momentum; concretely, the main challenge ahead would be to implement the Plan of Action (TD/386) and, on a regular basis, to maintain or improve on the factors that had contributed to the Conference's success. In so doing the organization should be guided by the innovative spirit of Bangkok and by the experience of Midrand. UNCTAD would be focusing even more on the problems of the least developed countries (LDCs), beginning with the Third United Nations Conference on the LDCs (LDC-III), to be held in Brussels in May 2001. The spirit of Bangkok meant encouraging convergent views in a mutually reinforcing manner; it required a process of constant consultation, guided by determination and caution, in order to improve synergies with the WTO, ITC, UNITAR, WIPO, ILO, UNIDO, FAO and other organizations in the UN system; and it meant making adjustments in the distribution of resources. Such adjustments would be needed in particular for the LDCs and for training and capacity-building in developing countries, which were among UNCTAD's priorities.

4. The resulting questions were threefold: how to coordinate those activities and make them fully integrated with one another; how to use existing resources to manage the process; and how to translate paragraph 166 of the Plan of Action, on capacity-building, into action. The first step would be to name a focal point within UNCTAD to unify the coordination of the task, in consultation with member States; in addition, an advisory body would be established by the Board, and UNCTAD would cooperate closely with the newly created International Institute for Trade and Development, to be based in Bangkok.

5. The representative of **Thailand** said the major elements in the success of UNCTAD X were its achieving consensus on a development strategy to make globalization of benefit to all; the broad range of participants and stakeholders; and the creation of the International Institute, which he called on all UNCTAD member States to support and to utilize. The Plan of Action contained specific guidelines for the future work and priorities of the organization, which included the interdependence of trade, finance and development, and current international trade issues of importance to developing countries, such as liberalization and the use of electronic commerce in financial services.

6. The spokesperson for the **Group of 77 and China** (Islamic Republic of Iran) said the Group was very satisfied with the outcome of the Conference and was committed to contributing to the implementation of its decisions; the Group's partners, especially the developed countries, should do the same. While UNCTAD X had revitalized the spirit of international cooperation needed for a healthy, secure and equitable world economy, the fate of the Plan of Action lay with the political will of all member States. The forthcoming South Summit in Havana would provide an ideal opportunity for a revitalization of South-South cooperation and solidarity and for a critical examination of the issues currently under discussion between developed and developing countries, in particular the challenges of globalization. Similarly, the Millennium Assembly should lead to further cooperation among development partners and should assess the United Nations contribution to uplifting humanity and society in the past half century and to improving prospects for the twenty-first century.

7. The representative of the **United States** said her country would work closely with all development partners and with the Secretary-General and staff of UNCTAD in implementing the Plan of Action and the Bangkok Declaration. It would do everything possible to ensure that UNCTAD addressed the critical needs of the LDCs, including current concerns. Regarding the new programme on Africa, if resources had to be reallocated, they should not be taken from the trade or investment divisions, which were the "core" of UNCTAD.

8. The representative of **Ethiopia** said a national workshop had been held in Addis Ababa on 8 March on the outcome of UNCTAD X and its implications for Ethiopia's economy and policies; on national, regional and international preparations for the Brussels Conference; and on contributions and inputs from national institutions to that Conference. Addis would also host a regional expert meeting for English-speaking African LDCs, in preparation for the Conference, on 27-29 March. He endorsed the draft medium-term plan and said that UNCTAD's improved intergovernmental machinery and research should take due account of the needs of LDCs. The relevant resolutions on LDCs from the Plan of Action and from the General Assembly should be implemented without further delay. In addition, an LDC monitoring body should meet twice a year, to review implementation of the Programme of Action for the Least Developed Countries for the 1990s and to discuss substantive issues affecting the development prospects of the LDCs. Financing of experts from LDCs to attend meetings should be done more predictably.

9. The representative of **Cuba** said that the proposals of the Working Group on the medium-term plan added new elements to the programme of work. Any changes which might be made to the intergovernmental machinery should be realized in the spirit of Bangkok.

10. The representative of **Switzerland** said he trusted in the Secretary-General's wisdom with regard to any restructuring of the UNCTAD secretariat. However, it was not just two divisions, but all of them, which were crucial to the organization's work.

11. The representative of **Portugal**, speaking on behalf of the **European Union**, thanked the Secretary-General and the secretariat of UNCTAD for their competent hard work both during the preparatory process and at the Conference itself and also thanked the Thai Government and people for their warm hospitality. He reiterated the EU's commitment to cooperating with all development partners in the implementation of the Plan of Action.

12. The spokesperson for the **Asian Group and China** (Malaysia) said the Plan of Action was very "implementable". The activities proposed in the medium-term plan should be implemented in a balanced way, taking account of the cross-cutting issues of interest to all developing countries, so as to ensure their effective and beneficial integration into the world economy. The secretariat should also take the necessary action to implement the section of the Plan of Action on UNCTAD's contribution to the reform of the international financial architecture as soon as possible.

13. The coordinator of the **LDCs** in Geneva (Bangladesh) said he agreed with the statements made by the G-77, the Asian Group and China, and Ethiopia regarding the LDCs. UNCTAD X had redirected global attention to urgent issues of development. The LDCs benefited greatly from UNCTAD's work and were pleased with the fact that the outcomes of the Conference reflected a consensus on issues of interest to the entire international community. However, the LDCs would demand more facilitating work from member States and the secretariat. The EU should lead the international community in launching a meaningful work programme for the LDCs' fight against poverty. The developed country partners should initiate actions to translate the Plan of Action into priority action on capacity-building for the LDCs; on enhanced market access for LDC products; and on technical assistance, infrastructure support and technology transfer. Coherence and coordination between international organizations were needed on market access and capacity-building for LDCs, and UNCTAD should continue to play a central role in that regard.

14. The representative of **Japan** said his country would cooperate with other developed country partners in the implementation of the Plan of Action.

(a) Outcome of the thirty-fifth session of the Working Party on the Medium-term Plan and the Programme Budget

Deliberations of the Board at the first part of its session

15. For its consideration of this item at the first part of its session, the Board had before it the following documentation:

"Draft UNCTAD section of the United Nations medium-term plan for the period 2002-2005: Programme 9. Trade and Development" (TD/B/EX(24)/L.2)

"Decision approved by the Working Party at the first part of its thirty-fifth session" (TD/B/EX(24)/L.3)

16. The spokesperson for the **African Group** (Egypt) said the Group supported the proposed UNCTAD section of the medium-term plan, and in particular the subprogramme on Africa. Sufficient resources should be allocated to promote the continent's development strategies and to enable it to cope with globalization. The posts authorized by the General Assembly for the Office of the Special Coordinator for Africa and the LDCs (OSCAL) should be filled as soon as possible. LDC-related activities should be part of UNCTAD's research programme and should be covered more fully in intergovernmental meetings.

17. The representative of **Japan** said the proposed evaluation exercise of UNCTAD activities should be based on the indicators of achievement, which had been introduced for the first time in the proposed medium-term plan. The exercise would help member States to ensure the high-quality implementation of the Plan of Action and to verify secretariat efforts to improve the quality of its work. It would also enhance the transparency and accountability of the organization to its member States.

18. The spokesman for the **Group of 77 and China** (Islamic Republic of Iran) speaking on behalf of Group of 77 and China said he welcomed the idea of an evaluation, which should be on the agenda of the monthly consultations of the President of the Board.

Action

19. At its 912th plenary meeting, on 24 March 2000, the Trade and Development Board endorsed the decision approved by the Working Party on the Medium-term Plan and the Programme Budget (TD/B/EX(24)/L.3). It thereby *inter alia* adopted the text of the draft medium-term plan for transmission to the appropriate authorities at United Nations Headquarters and agreed to consider the proposal that the UNCTAD secretariat undertake an evaluation of its activities in accordance with the indicators of achievement set forth in the medium-term plan and present it to the member States for discussion. (For the full text of the Working Party's decision and the draft medium-term plan, see TD/B/47/4 - TD/B/WP/127. For the Board's consideration of the proposal on evaluation, see below.)

Deliberations of the Board at its resumed session

20. For its consideration of this item at its resumed session, the Board had before it the following documentation:

" Draft decision submitted by the President of the Trade and Development Board" (TD/B/EX(24)/L.5)

"Revised programme of work of UNCTAD" (TD/B/WP/L.95)

"Agreed conclusions of the Working Party" (TD/B/WP/L.96)

21. The **Deputy Secretary-General of UNCTAD,** referring to the question of evaluation and the draft decision on the conduct in the second quarter of the year 2002 of a mid-term review based on the indicators of achievement agreed to in the medium-term plan (TD/B/EX(24)/L.5), said that two of the three indicators on which the mid-term review would be based depended on feedback from Governments: readership and other surveys, and member States' views. He hoped there would be more such feedback, and that it would be provided in a timely fashion.

22. The representative of **Portugal** said the developing countries should also participate in the provision of feedback.

23. The representative of **Japan** said the mid-term review must be an integral and indispensable element in the ongoing reform process of UNCTAD. It was thus regrettable that it had inadvertently been left out of the Bangkok Declaration. The need for conducting the review had increased. After UNCTAD IX, Japan had been pushing for the overall improvement of UNCTAD's performance, including that of its intergovernmental machinery, and the decision just taken by the Board was along those lines.

24. The spokesperson for the **G-77 and China** (Islamic Republic of Iran) said they embraced the idea of conducting a mid-term review. The work programme adopted at Bangkok generally reflected the priorities of the developing countries. The review was an integral part of the process of implementing that programme, as it allowed member States to assess the activities carried out, to identify areas of the programme still to be implemented, and to ensure that the resources available to the secretariat were commensurate with the mandate agreed to in Bangkok.

25. The representative of the **United States** asked what would be used for the review process other than questionnaires, and suggested focus groups and other ways of eliciting comments from delegates at meetings, given the limited time available to them for putting thoughts on paper.

Action

26. At its 913th plenary meeting, on 12 May 2000, the Trade and Development Board adopted the following decision:

> "The Trade and Development Board will conduct in the second quarter of the year 2002 a mid-term review of the work of UNCTAD, based on the indicators of achievement agreed to in the medium-term plan (2002-2005). The Board will also review the functioning of the intergovernmental machinery."

27. The Board also endorsed the revised work programme, as contained in document TD/B/WP/L.95, as well as the related agreed conclusions, as contained in document TD/B/WP/L.96. (For the revised work programme and the agreed conclusions, see TD/B/47/4 (Vol. I) TD/B/WP/127.)

(b) Agenda items of the three Commissions

28. The representative of **Portugal**, speaking on behalf of the **European Union**, said the selection of the new agenda items would be a first step towards improving the functioning of the intergovernmental machinery of UNCTAD. It was an evolving process, however, and the EU wanted an opportunity to see how the recommendations corresponded to the goals for improvement.

Action

29. At its 912th plenary meeting, on 24 March 2000, the Trade and Development Board decided that the question of the agenda items for the first sessions of the three Commissions and the topics of related expert meetings should be referred to the consultations of the President of the Board to

be held on 31 March 2000. The consultations would also review the note by the secretariat on improving the functioning and the structure of the intergovernmental machinery of UNCTAD (TD/B/EX(24)/L.1).1

(c) Other issues: Implementation of paragraph 166 of the Plan of Action

30. The **Secretary-General of UNCTAD,** reporting on progress made in implementing paragraph 166 of the Plan of Action adopted by UNCTAD X, said that implementation of paragraph 166, on the strengthening of UNCTAD's capacity-building programme, had begun in earnest. Mr. Reinaldo Figueredo had been appointed focal point within the secretariat to oversee preparations for, and implementation of, training activities in consultation with the relevant Divisions. In that context UNCTAD was not starting from a vacuum; many activities were already under way and would serve as a starting point for the implementation process. These included seminars and ad hoc events on international trade, investment and services; two training networks (TRAINMAR and TrainForTrade); and project-related training activities (ACIS, ASYCUDA, EMPRETEC and DMFAS). Other training activities covered risk management, foreign investment, strategic planning for shipbuilding managers, port management, and trade points. These secretariat activities and technical cooperation projects were complemented by a variety of other meetings, panels and exchange of views among experts, technical specialists and delegations. The trend was to deal with these activities in an increasingly consolidated manner.

31. The role, composition and size of the advisory board to be established by the TDB under paragraph 166, in consultation with member States and the secretariat, were a central issue. Its first tasks would be to take stock of existing activities; identify specific activities within the secretariat to be strengthened and coordinated; assess additional resource requirements; and devise training curricula to be used both in Geneva and by other organizations, including through distance learning.

32. In establishing the new board, UNCTAD expected to draw on the relevant experience of other UN bodies, such as the United Nations Institute for Training and Research (UNITAR); it would then come up with proposals on the board's composition. Successful implementation would also depend on the shared responsibility of Governments and other organizations involved in training and capacity-building, and on UNCTAD's cooperation with such mechanisms as the newly established International Institute for Trade and Development. That institute had been created in order to train not just Thai nationals, but people from throughout the region, including from such least developed countries as Cambodia, Lao People's Democratic Republic and Myanmar. The institute would provide a way of reaching those people at much lower cost. Another mechanism would be the Integrated Framework for Trade-related Technical Assistance to the LDCs, which would be reviewed this summer by the heads of the six participating agencies during the high-level segment of the Economic and Social Council. Day by day, UNCTAD's cooperation with the Geneva-based trade organizations was increasing, and the result would be a better-integrated joint programme of work.

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1 The consultations approved the agenda items for the first meetings of the Commissions and the related expert meetings, as well as the dates of the meetings (for the list of agenda items, expert meetings and dates of meetings, see annex III.) Concerning the note on improving the functioning and the structure of the intergovernmental machinery of UNCTAD, the Consultations decided to allow a one-cycle trial period for the implementation of the recommendations contained in document TD/B/EX(24)/L.1 and to review the experience in one year's time after the completion of the first cycle of meetings on 24 March 2001.

33. The representative of the **United States** asked if there was any timetable for implementation of the paragraph.

34. The representative of **Uruguay** welcomed the appointment of the focal point but said it had never been the intent of the Plan of Action to create new structures within the secretariat, but rather to reorganize. He asked that a specific proposal be made by September.

35. The representative of **Portugal**, speaking on behalf of the **European Union**, said the proposed training curricula must be based on the specific knowledge and expertise acquired by the secretariat, and that it should not be necessary to create a new structure.

36. The representative of **Switzerland** said the contents of the training curricula should be more clearly defined and should contribute value added for the beneficiary countries. The members of the advisory body should be chosen transparently and its functions clearly defined.

37. The representative of **Pakistan** said the issue of implementation had produced confusion over the original intent of the paragraph. Open-ended consultations should therefore be encouraged to focus on what was required.

38. The representative of **Brazil** said the scope of expertise covered by the curricula, and the scope of the focal point's activities, should not be limited to UNCTAD.

39. The representative of **Bolivia** said that paragraph 166 expressed a strongly felt need and should not be put into a straitjacket. He was confident that concrete proposals would be presented in September.

40. The representative of **Morocco** said the Board should concentrate on discussions with the focal point, draw up a calendar so as to get started quickly and make a list of matters to be discussed.

41. The representative of **Cuba** said there was an urgent need for implementation of the paragraph, for a calendar, and for the implementation process to go beyond the expertise of UNCTAD.

42. The **Secretary-General of UNCTAD** said that the goal was to complete the process by September and to submit proposals to the Working Party on the Medium-term Plan and the Programme Budget in time for the October meeting of the TDB. Some degree of initiative would have to be defined in the course of consultations. The perception that some aspects of paragraph 166 were unclear in fact reflected the reality: delegations had been under pressure in Bangkok, and there had been insufficient time to examine all the implications. The secretariat had no intention of interfering with its well-established and successful training projects; it was essential to respect the specificity of those projects and to see which of their innovative aspects could be used to fertilize other projects. The idea was not to meddle with what already existed and was in good shape, which should be supported, but rather to seek where the value added dimension could be found – and that was clearly the more difficult, but creative, aspect: to determine what UNCTAD should become in future.

43. An example was the preparation of developing countries for upcoming trade negotiations, which constituted a necessary, but not the only, element for their success in the world trading system. There were also supply problems to be considered, requiring a multidisciplinary approach, both on the part of UNCTAD's partners and on the part of its own Divisions. The question was how to integrate their respective efforts and ensure they were complementary and not isolated; that was where the deliberations of the new Advisory Board should concentrate, and that was where the specificity of UNCTAD lay.

Chapter II

REVIEW OF THE CALENDAR OF MEETINGS

(Agenda item 3)

44. For its consideration of this item at its resumed session, the Board had before it the following documentation:

"UNCTAD calendar of meetings" (TD/B/EX(24)/L.4)

45. The President of the Board said the calendar, which had been approved at the President's consultations on 31 March 2000, reflected meetings for the remainder of 2000 and the first quarter of 2001. There had been one subsequent amendment: the thirty-sixth session of the Working Party on the Medium-term Plan and the Programme Budget would take place from 11 to 15 September, and the Fourth UN Review on the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices would take place from 25 to 29 September.

Action

46. At its 913th plenary meeting, on 12 May 2000, the Board approved the calendar of meetings, as amended. (For the calendar of meetings as amended, see TD/B/INF.193.)

Chapter III

OTHER BUSINESS

(Agenda item 4)

47. At the first part of the session, the secretariat introduced its new report, and the related CD, on "Building Confidence", which dealt with developmental issues pertaining to electronic commerce, as well as the CD-ROM version of UNCTAD's Handbook on Statistics.

(a) Agenda of the forty-seventh session of the Trade and Development Board

48. At the resumed session, the **Secretary-General of UNCTAD** said that consultations were to be held on the theme of the high-level segment the following week, and he would suggest that the theme be something of immediate interest; of great relevance to development; and on which the secretariat would be in a position to provide documentation in time. Three possibilities under consideration were mergers and acquisitions; finance for development; and policy coherence.

Action

49. At its 913th plenary meeting, on 12 May 2000, the Board approved the provisional agenda, with the exception of the theme of the high-level segment, on which the Secretary-General was asked to complete his consultations. (For the provisional agenda as approved, see annex IV.)

(b) Draft decision submitted by Bangladesh on behalf of the least developed countries

50. For its consideration of this item at its resumed session, the Board had before it the following documentation:

"Draft decision submitted by Bangladesh, coordinator of the least developed countries" (TD/B/EX(24)/L.6)

51. The coordinator of the **least developed countries** in Geneva (Bangladesh), introducing the draft decision, said the draft proposed that the Board should establish a standing intergovernmental body to deal with the overall monitoring of progress in the implementation of policies and measures in favour of LDCs. Such a machinery did not currently exist, and its absence was felt most keenly. It would help integrate LDC-related issues into the work of the intergovernmental machinery and create greater synergy.

52. After the Third United Nations Conference on the Least Developed Countries, an intergovernmental monitoring mechanism would become absolutely essential. Ideally, it should be done on at least two levels: within UNCTAD, and within the intergovernmental system; otherwise, the results would go nowhere. Consultations with delegations revealed that, although there was an extremely positive response to the idea, more time might be necessary to reach a broad consensus on the matter. Accordingly, he proposed that consultations be held soon, under the auspices of the President.

53. The spokesperson for the **African Group** (Egypt) welcomed the draft decision, saying that it came at the appropriate stage in the preparations for LDC-III and would enable the LDCs to make headway. It was understood that the intergovernmental body proposed in the draft would meet twice: in fall 2000, during the regular session of the Board, and again in spring 2001, to discuss the Conference.

54. The representative of **Haiti** said the proposed mechanism would enhance the effective coordination of the LDCs, and it would need financial support. It was important to stress the need to strengthen the export capacity-building of LDCs and to reduce their marginality and increase their contribution to the world economy.

55. The spokesperson for the **Latin American and Caribbean Group** (Ecuador) said his Group had no problem with the decision, but as no coordination meeting had been held to discuss it, no endorsement could yet be given. However, that would be done in the near future.

56. The spokesperson for the **Asian Group and China** (Malaysia) said that although the Group had not met to discuss the draft, it would have no difficulty in accepting it, as it merited the support of all UNCTAD member States. Consultations should be held.

57. The representative of **Cuba** said that, at the South Summit of the Group of 77 held in Havana in April 2000, almost all the Group's members had expressed concern with the increasing marginalization of the LDCs and had called on the international community to take action. The draft decision would provide a good opportunity to resolve the problems of financing and infrastructure, within the framework of UNCTAD, as had been called for at the South Summit. His country supported it.

58. The representative of **Burundi** said he supported the draft, which was extremely useful. It should be approved before the next Board meeting, or by year-end, so as to enable the LDCs to benefit from UNCTAD's continuing support.

59. The representative of **China** said that, as UNCTAD was responsible for LDC issues within the UN system, and as his country sympathized with the plight of those nations, China would support any effort undertaken by UNCTAD in relation to the proposed decision.

60. The representative of **Sudan** said the draft decision would strengthen the activities of UNCTAD on behalf of the LDCs and also strengthen national and international initiatives under way for the Conference.

61. The representative of **Portugal**, speaking on behalf of the **European Union**, said the Union's activities for the Conference showed its support of LDCs in general. He supported the draft.

62. The **Secretary-General of UNCTAD** said the forthcoming LDC Conference was one of the central challenges in giving expression to the results of UNCTAD X. He reported on his recent meetings in Washington with representatives of the International Monetary Fund and the World Bank and in Brussels with representatives of the European Commission, the EU and Belgium. This was the first time the EU was collectively hosting a major conference for developing countries.

63. The new agreement to be signed at Suva in June by the EU and the ACP countries, replacing the Lomé IV Convention, would constitute an important lead-up to the Conference, as 39 of the LDCs were also part of that grouping. Requirements for the Conference went beyond UNCTAD's capacity to ensure its success, and many of its elements would have to come from other organizations and member States.

64. He hoped that the ongoing discussions at the WTO on accession agreements would lead to results, and not to further promises. In that regard, UNCTAD could not do much to produce results, nor could it replicate the other organization's work; each must respect the other's jurisdiction.

65. The Bretton Woods institutions were actively engaged in discussing poverty reduction strategies and plans for specific developing countries, most of which also happened to be LDCs. Their objectives were different, but they should be complementary to those of UNCTAD and the Conference, and mutually reinforcing. While poverty reduction was also a central question for LDC-III, the Conference would have to cover other aspects as well, especially UNCTAD's specific contribution: enhancing the productive capacity of LDCs. UNCTAD had no specific social or poverty mandate; nonetheless, everything it did should help to further the goal of poverty elimination.

66. There were some procedural complexities to do with the Conference, such as the fact that it was a UN, not an UNCTAD, conference, and that the preparatory process was not based in Geneva. A lesson had been learned from the fact that neither of the previous two LDC conferences had created an appropriate monitoring or follow-up mechanism.

67. The representative of **Morocco** said that nothing in the draft decision would help LDCs. The fourth preambular and first operative paragraphs were contradictory: it was one thing to integrate LDC issues into the work of the intergovernmental machinery, and quite another to create a new body. Furthermore, UNCTAD X had been meant as a stepping stone to LDC-III; its programme on LDCs should be implemented. It was inadvisable to build up something that would not produce the expected outcome; rather, the commitment made at Bangkok should be fulfilled, as it already called for a substantial amount of work to be done on the LDCs.

Action

68. At its 913th plenary meeting, on 12 May 2000, the Board decided that consultations should be held on the draft decision under the authority of the President.

(c) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

69. At its 913th plenary meeting, on 12 May 2000, the Board took note that there were no new applications for consideration at the current session and that the number of intergovernmental organizations in status remained 108 (as contained in TD/B/IGO/LIST/2 and Adds.1, 2 and 3).

(d) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure

70. For its consideration of this item, the Board had before it the following documentation:

"Application by Jubilee 2000 Coalition" (TD/B/EX(24)/R.1)

71. At its 913th plenary meeting, the Board took note that at present, there were 189 NGOs in status, 105 in the general category and 84 in the special category (as contained in TD/B/NGO/LIST/3 and adds.1 and 2). It approved the application of Jubilee 2000 Coalition and decided, in accordance with the recommendation of the Secretary-General of UNCTAD and of the Bureau, to designate the organization for the purposes of rule 77 of the rules of procedure and to classify it in the special category in accordance with paragraph 12 (b) of decision 43 (VII) of the Board so that it may participate in the activities of the Commissions on Trade in Goods and Services, and Commodities and Investment, Technology and Related Financial Issues. It also asked to be notified earlier of such applications, and of suspensions from the list.

72. The Board asked the secretariat to take note of the statement made by the representative of **China** and endorsed by the representative of **Japan** that, in order to facilitate the relevant consultations, delegations should be given sufficient time to look into the issues and if necessary to seek instructions from the capitals.

73. At the same meeting, the Board agreed to suspend from status the following NGOs which had failed to be in communication with the secretariat during the past three years and to remove them from the list of NGOs in status until such time as they re-established communication with UNCTAD: Association of African Trading Enterprises (ASATRADE); Association of Insurance Supervisory Authorities of Developing Countries (AISADC); Latin American and Caribbean Free Zone Association (AZOLCA); and United States Trademark Association (USTA). It was noted that such action was called for in accordance with decision 43 (VII) of the Board, which stipulates in its paragraph 4 that organizations should undertake to support the work of UNCTAD and to promote knowledge of its principles and activities.

74. With regard to NGOs in status, the Board further took note that the World Export Processing Zones Association is now the World Economic Processing Zones Association, retaining the acronym WEPZA, and that the International Enterprise Foundation of Geneva had been deleted from the list of NGOs in status since it had informed the UNCTAD secretariat that it had discontinued its activities.

(e) Other matters

75. The representative of the **United States** said that the concrete measures being taken by the UN Secretary-General to ensure accountability should be embraced by all bodies, including UNCTAD. All missions should assist the secretariat in finding the best candidates for the vacant directorships in the Division on Globalization and Development Strategies and the Division on Investment, Technology and Enterprise Development. Her country was particularly concerned that highly qualified candidates from the under-represented regions of Africa and Asia should be solicited.

76. The representative of Bolivia asked that the Spanish translation of paragraph 2 of document TD/B/WP/L.96 should be revised in accordance with paragraph 36 of the Bangkok Plan of Action.

77. The representative of Portugal asked for the list of memorandums of understanding signed by the secretariat with national organizations, noting that this was the third time he had made the request.

Chapter IV

ORGANIZATIONAL MATTERS

A. Opening of the session

78. The first part of the twenty-fourth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 24 March 2000, and the resumed session on 12 May 2000. The session was opened by Mr. Philippe Petit (France), President of the Board.

B. Bureau of the twenty-fourth executive session

79. There being no change in the elected officers of the Bureau since the forty-sixth session, the Bureau of the Board at its twenty-fourth executive session was as follows:

President:	Mr. Philippe Petit	(France)
Vice-Presidents:	Mrs. Fayza Aboulnaga	(Egypt)
	Mr. Munir Akram	(Pakistan)
	Mr. Krit Garnjana-Goonchorn	(Thailand)
	Mr. Koichi Haraguchi	(Japan)
	Mr. Walter Lewalter	(Germany)
	Mr. George Moose	(United States of America)
	Mr. Goce Petreski	(The former Yugoslav Republic of Macedonia)
	Mr. Camilo Reyes-Rodríguez	(Colombia)
	Mr. Ronald Saborío Soto	(Costa Rica)
	Mr. Vasily Sidorov	(Russian Federation)
Rapporteur:	Mr. Xolisa M. Mabhongo	(South Africa)

C. Adoption of the agenda

(Agenda item 1)

80. The Board adopted the provisional agenda for its twenty-fourth executive session (contained in TD/B/EX(24)/1). (See annex I.)

D. Report of the Board on its twenty-fourth executive session

(Agenda item 5)

81. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

ANNEXES

Annex I

AGENDA FOR THE TWENTY-FOURTH EXECUIVE SESSION OF THE BOARD

1. Adoption of the agenda
2. Follow-up to the outcome of the tenth session of the Conference
3. Review of the calendar of meetings
4. Other business
5. Report of the Board on its twenty-fourth executive session

Annex II

ATTENDANCE*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Albania
Algeria
Argentina
Australia
Austria
Azerbaijan
Bangladesh
Barbados
Belarus
Belgium
Bolivia
Brazil
Bulgaria
Burundi
China
Columbia
Côte d'Ivoire
Croatia
Cuba
Czech Republic
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Georgia
Germany
Ghana
Guatemala
Guinea
Haiti
Honduras
Iceland
India
Indonesia
Iran (Islamic Republic of)
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kuwait
Lebanon
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Nepal
Netherlands
New Zealand
Norway

* For the list of participants, see TD/B/EX(24)/INF.2.

Panama
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Republic of Moldova
Romania
Russian Federation
Saudi Arabia
Senegal
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Holy See
Lesotho
Rwanda

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
League of Arab States
South Centre

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

5. The Office of the United Nations High Commissioner for Refugees was represented at the session.

6. The International Trade Centre UNCTAD/WTO was also represented at the session.

7. The following non-governmental organizations were represented at the session:

General Category

Engineers of the World
International Chamber of Commerce
International Confederation of Free Trade Unions
International Council of Women
International Organization for Standardization
World Federation of United Nations Associations
World Vision International

Annex III

AGENDA ITEMS OF THE FIRST MEETING OF EACH COMMISSION AND RELATED EXPERT MEETINGS

A. Commission on Trade in Goods and Services, and Commodities (26 February - 2 March 2001)

- The sustainable use of biological resources

  Systems and national experiences for the protection of traditional knowledge, innovations and practices (30 October - 1 November 2000)

- Major agricultural concerns of developing countries

  Impact of the reform process in agriculture on LDCs and net food importing developing countries and ways to address their concerns in multilateral trade negotiations (24-26 July 2000)

- Analysis of ways to enhance the contribution of specific services sectors to the development perspectives of developing countries

  National experiences with regulations and liberalization: examples in the construction services sector and its contribution to the development of developing countries (23-25 October 2000)

- Analysis of market access issues facing developing countries

  Impact of anti-dumping and countervailing actions (4-6 December 2000)

B. Commission on Investment, Technology and Related Financial Issues (12-16 February 2001)

- Impact of international investment flows on development

  Mergers and acquisitions: Policies aimed at maximizing the positive and minimizing the possible negative impact of international investment (date to be determined)

- ISAR

  Promoting transparency and financial disclosure: accounting by SMEs (3-5 July 2000)

- International policy issues

  Home country measures (8-10 November 2000)

C. Commission on Enterprise, Business Facilitation and Development (22-26 January 2001)

- Capacity-building in electronic commerce: impact of the new economy on traditional sectors of developing economies

  Electronic commerce and tourism (18-20 September 2000)

- Human resources development and training in trade-supporting services: key to growth with special potential for LDCs (2-4 October 2000)

- Enhancing the competitiveness of SMEs in the context of FDI in developing countries

  Relationships between SMEs and TNCs to ensure the competitiveness of SMEs (27-29 November 2000)

D. Executive session of the Trade and Development Board

26 March 2001 - Commission A
28 March 2001 - Commission B
30 March 2001 - Commission C

Annex IV

PROVISIONAL AGENDA FOR THE FORTY-SEVENTH SESSION OF THE BOARD

1. Procedural matters:

   (a) Election of officers
   (b) Adoption of the agenda and organization of the work of the session
   (c) Adoption of the report on credentials
   (d) Provisional agenda for the forty-eighth session of the Board

2. High-level segment: **(theme to be determined)**

3. Interdependence and global economic issues from a trade and development perspective: crisis and recovery in emerging markets

4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

   (a) The challenge of financing development in least developed countries.
   (b) Review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

5. UNCTAD contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: financial flows and economic growth in Africa

6. Technical cooperation activities:

   (a) Review of technical cooperation activities of UNCTAD
   (b) Consideration of other relevant reports: report on UNCTAD assistance to the Palestinian people

7. Other matters in the field of trade and development:

   - Progressive development of the law of international trade: thirty-third annual report of the United Nations Commission on International Trade Law

8. Institutional, organizational, administrative and related matters:

   (a) Review of the calendar of meetings
   (b) Administrative and financial implications of the actions of the Board

9. Other business

10. Adoption of the report

Part three
Report of the Trade and Development Board on its twenty-fifth executive session (Geneva, 22 September 2000)*

* Originally issued under the symbol A/55/15 (Part III).

Synoptic record of the proceedings of the Trade and Development Board at its twenty-fifth executive session

Item 1: Adoption of the agenda

1. The Board adopted the provisional agenda for its twenty-fifth executive session (TD/B/EX(25)/1).

Item 2: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa

2. The Board considered the report of the secretariat entitled "Activities undertaken by UNCTAD in favour of Africa" (TD/B/EX(25)/2).

Item 3: Preparations for the forty-seventh session of the Trade and Development Board

3. The Board was informed of the state of preparations for the high-level segment of its forty-seventh session, the theme of which would be regional integration and the global economy.

Item 4: Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-third session

4. The Board took note of the report of the Joint Advisory Group on its thirty-third session (ITC/AG(XXXIII)/181).

Item 5: Institutional, organizational, administrative and related matters

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

5. The Board decided that the Common Market for Eastern and Southern Africa be designated under rule 76 of its rules of procedure to enable it to participate in the deliberations of the Conference, the Board and its subsidiary organs.

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

6. The Board was informed that, in conformity with the provisions of Board decision 43(VII), sections III and IV, and after consultation with the Government of the Netherlands, the Secretary-General of UNCTAD had decided to enter the Center for Research on Multinational Corporations (SOMO) in the Register of national non-governmental organizations.

(c) Designation of the President and Bureau of the forty-seventh session of the Trade and Development Board

7. Mr. Camilo Reyes Rodríguez, Permanent Representative of Colombia to the United Nations Office and Specialized Agencies in Geneva, was nominated as President of the Trade and Development Board at its forty-seventh session.

Item 6: Other business

8. The Board decided that a new item 9(a) would be included in the provisional agenda for its forty-seventh session, worded as follows: "Timing of the cycles of UNCTAD Conferences and the United Nations programme budget".

9. The Board further decided that a new item 9(b) would be included in the provisional agenda for its forty-seventh session, worded as follows: "Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action". It requested the secretariat to prepare the necessary background documentation in consultation with delegations and in time for the consultations of the President of the Board on 6 October.

Item 7: Report of the Board on its twenty-fifth executive session

10. The Board authorized the Rapporteur to complete the report on its twenty-fifth session under the authority of the President.

Part four
Report of the Trade and Development Board on its forty-seventh session (Geneva, 9 to 20 October 2000)*

* Originally issued under the symbol TD/B/47/11 (Vol. I).

INTRODUCTION

(i) The forty-seventh session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 9 to 20 October 2000. In the course of the session, the Board held four plenary meetings – the 914th to 917th meetings.

(ii) This report to the United Nations General Assembly has been prepared under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (session I) and procedural, institutional, organizational and administrative matters (section II).

(iii) Volume II of the report of the Board on its forty-seventh session – to be issued subsequently in TD/B/47/11(Vol.II) – will reflect all the statements made in the course of the session on the various items of the agenda.

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS ON ITS AGENDA

A. Interdependence and global economic issues from a trade and development perspective: crisis and recovery in emerging markets

(Agenda item 3)

At its 917th plenary meeting, on 20 October 2000, the Trade and Development Board took note of the Chairman's summary on agenda item 3.

Chairman's summary

1. The recovery of the world economy from the shock waves of the Asian crisis was broadly welcomed. While it was recognized that technological progress and the globalization of trade, finance and productive activity offered new opportunities for wealth creation under appropriate macroeconomic policies and with good governance, weaknesses in national policies and institutions could be punished much more quickly and severely by international markets than in the past. That such punishment by international investors could occur even when there was no solid basis for a negative risk assessment was a concern widely expressed. There was also considerable concern about the disparities in economic performance across and within regions and about the persistence of macroeconomic imbalances.

2. It became clear in the course of the discussions that difficult policy choices were not restricted to developing countries. Growth disparities within the industrialized world had resulted in trade imbalances, while technological and financial innovations had led to greater fragility of financial and trade flows. There was broad agreement that the recent rise in oil prices from their depressed levels of the past decade had added another element of fragility and heightened uncertainty. It was felt by many that the risk of renewed global economic turbulence was still quite high, with developing countries the most vulnerable. But there was also widespread confidence that prudent macroeconomic adjustments in the developed countries could prevent temporary shocks spiraling into inflation or deflation, and that these countries were better placed than in the past to use policies to correct the existing global imbalances without jeopardizing the growth prospects of the developing countries.

3. There was broad agreement that oil-importing developing countries were in a particularly difficult situation, as many of them were caught between a rising import bill and declining prices for their own export commodities, and that such countries required compensatory financing through the multilateral financial institutions.

4. Given the underlying weaknesses, there was little room for complacency. Rather, the present conditions offered an opportunity to reshape international economic relations in the interest of all countries and to reinforce the fight against poverty. Expanding trade

opportunities and improving market access would help developing countries to become less dependent on capital inflows and hence less vulnerable to external shocks originating from international capital markets and policy shifts in the developed countries.

5. The East Asian financial crisis had shown that even for the most successful developing countries there were substantial downside risks in the process of globalization. It was broadly acknowledged that there had been a number of shortcomings in the diagnosis of this crisis, and that initial policy responses might not have been optimal. But the difficulty of prescribing the right medicine given the specific characteristics of each crisis was also recognized. While some speakers believed that the tightening of monetary and financial policies had contributed to the recovery, most pointed to the severe social effects of these policies in terms of rising poverty and unemployment. The recovery in the East Asian economies was still quite fragile, and countries had to continue with their structural reforms, in particular those aimed at strengthening the financial and corporate sector.

6. Views as to how best to respond to financial panics differed. Arguments were put forward in favour of both orthodox and heterodox policies. However, there was some degree of consensus that, in the absence of social safety nets, falls in output and employment, resulting from sharp rises in interest rates could do serious social and economic damage, and that temporary and selective capital controls and standstills might be part of an alternative policy package that would also have to include bailing-in of the private sector and timely provision of adequate liquidity. There was also broad satisfaction that during the crisis and recovery of East Asia, the international trading system had proven its effectiveness, as markets remained open despite sharp swings in trade flows and balance of payments positions.

7. While increased private capital flows to developing countries were generally welcome and might serve as a vehicle to accelerate development, international capital markets did not always allocate funds efficiently at the global level. The downside risks of globalization were considered particularly acute in international financial markets where imperfections due to herd behaviour and irrational expectations were endemic. There was certainly a major role for national policies in crisis prevention and solution. Good corporate governance, an appropriate maturity structure of external debt and an effective regulatory system for the domestic financial sector were stressed. On some accounts, the real key to a successful policy response was whether it contributed to strengthening market confidence. However, it was also recognized that international investors primarily cared about maximizing the return on their investments and much less about the quality of corporate governance and financial regulations. Attention was drawn to the fact that, while much of the financial burden of the Asian crisis was born by the public sector, the crisis had originated in the private sector. Consequently, more attention should be given to prudential regulation and supervision of private capital flows.

8. The discussion also addressed the systemic factors behind the recent financial crises, which could only be effectively addressed at the international level. Greater stability of the

international financial system required appropriate regulation of financial flows. There was consensus that improved prudential regulations were required over highly leveraged institutions, particularly in the derivative and hedge fund markets, and more effective and independent supervision was desirable. Consensus was more difficult to reach on the appropriateness of capital controls, the introduction of debt-workout procedures, and the establishment of a lender of last resort. While, on the one hand, it was suggested that the reform of the international financial architecture should aim at a solidly institutionalized setting, it was also suggested that such arrangements could turn out to be too rigid in the medium term, so that a case-by-case approach might be preferable.

9. There was broad agreement that governance in the international monetary and financial system should be made more transparent and participatory, and some speakers pointed to the progress that had already been made in this respect in the international financial institutions. Greater regional monetary cooperation was considered to be useful for the prevention and management of currency crises, albeit through complementing existing multilateral arrangements; efforts towards strengthening regional monetary cooperation, which had already made some progress in Asia, should not divert attention away from the need to strengthen the financial architecture at the global level.

10. Emphasis was placed also on the need for strengthened policy coordination among the major developed countries to avoid large fluctuations of the exchange rates among the three major currencies. While it was observed that central bankers and other policy makers of the G-7 countries were in frequent contact and that policy coordination did not require formal mechanisms, such as exchange-rate target zones as proposed by others, there were also suggestions that, in order to be effective, more institutionalized forms of such coordination were necessary. The Enhanced HIPC Initiative was generally welcomed, but it was also made clear that the debt problem remained an obstacle to faster development, especially in least developed countries. Moreover, it was observed that while for a large number of developing countries official flows remained essential for higher investment and growth, these flows had been on a downward trend for much of the past decade, barely compensating for adverse shifts in the terms of trade. An acceleration of debt relief procedures and their extension to a greater number of poor countries, as well as renewed efforts on the part of donor countries to raise their ODA to previously agreed targets, were considered by many speakers to be necessary preconditions for a reduction of poverty and a narrowing of the income gap between North and South.

B. Review of progress in the implementation of the Programme of Action for Least Developed Countries for the 1990s

(Agenda item 4)

Agreed conclusions 459 (XLVII)

The Trade and Development Board welcomes the *Least Developed Countries 2000 Report* of the UNCTAD secretariat entitled, "Aid, Private Capital Flows and External Debt:

The Challenges of Financing Development in the LDCs", and, having reviewed the Report and subsequent to discussions in its Sessional Committee I, adopts the following conclusions:

1. The Trade and Development Board at its forty-seventh session undertook the last annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The Board recognized that the implementation of the commitments as contained in the Programme of Action has fallen short of expectations. The socio-economic conditions in LDCs have continued to decline. The number of LDCs increased during the decade, while only one LDC was able to graduate from the list.

2. The Board also emphasized the importance of accelerating growth and sustainable development, promoting poverty eradication in LDCs, strengthening their productive and human capacities, especially in social sectors, such as education and health, as well as transparent and accountable governance, structural reforms and enhancing their beneficial integration within the rapidly globalizing economy both at regional and global levels. It is crucial to mobilize adequate resources to achieve these goals. It considered these to be major challenges to be addressed by the preparatory process of the Third United Nations Conference on LDCs.

3. The Board welcomed the action initiated by a major trading partner to provide LDCs with duty-free and quota-free market access to all products originating from LDCs, except arms. The Board also welcomed other initiatives by developed countries in the same direction. It further encouraged those countries that have announced market access commitments in favour of LDCs, and have not yet fulfilled them, to expedite implementation, and invited other countries to take similar initiatives.

4. The Board underlined the importance of enhancing productive capacities and reducing supply-side constraints for LDCs in order to take full advantage of market access opportunities.

5. The Board noted with concern the declining trend of ODA, and expressed appreciation to those donor countries that have met or surpassed United Nations ODA targets for LDCs. Efforts should be made to increase ODA in line with these targets, and to maintain a substantial level of ODA flows, while improving its effectiveness.

6. Increasing official flows should be accompanied by swift and effective reduction of the debt burden of LDC HIPCs that are carrying out appropriate policy and institutional reforms. The Board expressed appreciation to those industrialized and developing countries that have taken concrete actions for debt cancellation of LDCs and encouraged other creditors to do the same.

7. In line with the outcome of the first session of the Intergovernmental Preparatory Committee of LDC III (IPC), held in New York from 24 to 28 July 2000, the Board reviewed the annotated outline of the new Programme of Action. It commended the secretariat for the

draft outline. It requested that the work on the preparation of the draft new Programme of Action commence immediately under the authority of the Chairman of the IPC.

8. The Chairman of the IPC briefed the Board on the structure of LDC III, the parallel events, the civil society track and the NGO Forum, and there was an exchange of views on these matters. These activities should contribute to the attainment of the objectives of the Conference.

9. In preparing the new Programme of Action, account should be taken of the views of the member States, particularly the LDCs, the national programmes of action, the outcomes of major global summits and conferences, and ongoing processes within multilateral organizations, including the Bretton Woods institutions and WTO. The Board emphasized the importance of an adaptable document that includes quantifiable, measurable and implementable targets based on the international development targets. Full participation and ownership of all stakeholders in a transparent preparatory process was stressed. It was further emphasized that the preparation, implementation and follow-up of the Programme of Action should be undertaken with the active involvement of major multilateral organizations.

10. The Board took note of the preliminary report of the High Level Panel on the review of progress in the implementation of the Programme of Action for the LDCs for the 1990s (TD/B/47/CRP.5), and requested the Panel to conclude its work expeditiously for circulation of its final report to member States.

11. The Board also took note of a statement on the financial situation of the preparatory process of the Conference submitted by the secretariat. It expressed appreciation for the financial support provided to the preparatory process by the European Union, Norway and the Holy See, and encouraged additional multilateral and bilateral donors to contribute generously for the preparatory process and for the Conference itself. The need for financing the participation of LDCs in the preparatory process and in the Conference was emphasized.

12. The Board stressed the need for effective monitoring and follow-up to the implementation of the new Programme of Action.

C. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: capital flows and growth in Africa

(Agenda item 5)

Agreed conclusions 460 (XLVII)

The Trade and Development Board welcomes the report of the UNCTAD secretariat entitled *Capital Flows and Growth in Africa* and, having reviewed the report and subsequent to discussions undertaken in its Sessional Committee II, adopts the following conclusions:

1. The United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) established an objective of an average annual growth rate of at least 6 per cent in order for the continent to achieve sustained and sustainable economic growth and equitable development, increase income and eradicate poverty. However, the average growth rate attained in the 1990s has only been 2.4 per cent per annum. Notwithstanding the diversity of African economies, it is recognized that sustained economic growth is a necessary condition for poverty reduction, and must be complemented by a conducive national and international economic environment and by a range of social investments and institutional reforms.

2. Domestic savings should, in the long run, be the main source for domestic investment. However, despite significant policy reforms carried out by a number of African countries, current levels of savings and investment in Africa are too low to ensure sufficient investment in human capital and social and physical infrastructure. Measures must therefore be taken to fill this investment gap. These measures could include increased foreign capital flows, both private and official, and institutional reforms to reverse capital flight. Closer cooperation is required at the international level in this regard.

3. Despite extensive efforts by African countries to attract and promote foreign direct investment (FDI), such flows have remained stagnant in terms of total share of global FDI flows at a low level of 1.2 per cent and most of them have been concentrated in a small number of countries. Therefore, despite recent slight increases in total flows of FDI to Africa and on the basis of past and current trends, these flows are unlikely to fill the resource gap in the foreseeable future. FDI in Africa should be encouraged through, *inter alia,* the promotion of cooperation between industrialized countries and Africa. There should be efforts to mitigate the undifferentiated negative perception that prevents reforming countries from reaping the full benefits of their efforts and to attract greater foreign capital flows.

4. The role of macroeconomic stability as a fundamental precondition for mobilizing both domestic and international financial resources must be stressed. Stability, the rule of law and predictable macroeconomic policies, in conjunction with the necessary structural reforms, are essential for fostering a climate conducive to equitable social and economic growth. Financial resources commensurate with the needs of Africa's development are required, and sustained efforts should continue to be made to create the necessary conditions for increasing FDI and mobilizing internal and external resources. Concessionary resources of the official development assistance (ODA) type are required in order to address as a priority the structural rigidities which constrain Africa's development effort, especially the development of human resources capacities and poverty alleviation, as well as the extension of physical infrastructure and production capacities. All partners in development cooperation - donors as well as beneficiaries - are encouraged to organize their development assistance more effectively in order to work for enhanced coordination and complementarity. In order to ensure better and more efficient use of ODA resources, development partners should cooperate to reinforce the absorptive capacity of the recipient countries.

5. ODA remains an important source of external financing in Africa at present, but despite efforts by African countries for a more efficient and better use of it, such flows have continued to decline in the past decade. Current ODA flows represent less than one third of United Nations targets. Efforts should be made to increase ODA in line with these targets, and to maintain a substantial level of ODA flows for a sufficiently long period in order to fill the investment gap. Over the longer term, private capital flows and domestic savings should replace official financing, thereby reducing the aid dependence of African countries.

6. Increasing official flows should be incorporated into a comprehensive development approach which would include other measures such as the swift and effective reduction of the debt burden of African countries enacting appropriate policy and institutional reforms. It is agreed that debt relief assistance should not be provided at the expense of other ODA flows. In spite of various efforts to address the debt crisis, at regional, national and international levels, Africa's external debt has grown at a very high rate. The Enhanced Heavily Indebted Poor Countries (HIPCs) Initiative and the goal of bringing an additional 10 HIPCs to decision point by the end of the year are a welcome development. The Board notes the UNCTAD Secretary-General's recommendation that consideration be given to the immediate suspension of debt service payments for HIPCs undertaking reform, with no additional interest obligations being incurred in consequence. In this connection, it is recalled that UNCTAD X invited the international community to consider ways and means of identifying that portion of debt assessed as unpayable for possible action by creditors. The success of any debt-relief initiatives depends on the availability of necessary resources and the implementation of economic reform measures. In this regard, African countries are encouraged to continue to implement such reforms, to strengthen transparent and accountable governance, and to commit themselves to using savings from debt relief for poverty alleviation, including the improvement of the social sectors and the rehabilitation of infrastructure.

7. Recognizing the various efforts made by many African countries with the aim of creating a domestic environment conducive to capital inflows, African countries need to adopt where necessary appropriate policies which ensure efficient use of existing and additional resources for the development of human capital and social and physical infrastructure. This includes generally paying attention to shortcomings in markets, institutions and infrastructure. In this connection, the promotion of a dynamic private sector and the conditions for well-functioning markets, as well as the building up of public institutions with necessary capacity to implement macroeconomic policies leading to growth and development, are essential. National ownership and, where appropriate, a more active government role are essential for the success of reform programmes. These programmes should include policies to mitigate the social costs of reform.

8. A comprehensive approach to the development of African economies would be significantly assisted by greater market access for African exports and by the transfer of technology. For African countries to take full advantage of market access opportunities,

which is associated with positive externalities, it is imperative to enhance productive capacities and to reduce supply constraints.

9. The report entitled *Capital Flows and Growth in Africa* and a summary of the Board's discussions of the report should serve *inter alia* as an input to the preparatory process for the United Nations High-level Event on Financing for Development as well as for the review of the United Nations New Agenda for the Development of Africa in the 1990s, due to take place in 2002.

D. Technical cooperation activities

(Agenda item 6)

Review of technical cooperation activities of UNCTAD and their financing

Decision 461 (XLVII)

The Trade and Development Board

1. *Takes note with appreciation* of the report on technical cooperation activities of UNCTAD and their financing and its addenda (TD/B/47/2 and Add.1–2) as well as of the indicative plan of UNCTAD's technical cooperation for 2001 (TD/B/47/8); *regrets* that some documents have not been translated in the last years and requests the secretariat to do its best to have them translated into the official languages in due time in future years; and *notes* with satisfaction that the delivery of UNCTAD's technical cooperation reached its highest ever level in quantitative terms in 1999;

2. *Expresses its appreciation* to bilateral and multilateral donors for their contributions and appeals to them to continue to extend their contributions to ensure that UNCTAD in turn can respond to demand from all regions and deliver high-quality technical assistance;

3. *Notes* that the level of trust fund contributions fell in 1999, and that the bulk of these contributions come from a few donor countries, and *calls upon* all bilateral and multilateral donors to enhance their trust fund contributions on a more predictable and sustainable basis;

4. *Notes with satisfaction* that the level and share of technical cooperation expenditures for LDCs have increased, and *requests* bilateral and multilateral donors to continue to contribute to UNCTAD technical cooperation activities in favour of these countries commensurate with their needs and the priority assigned to them by member States in the UNCTAD X Plan of Action (TD/386);

5. *Requests* the secretariat, in consultation with member States, to intensify its efforts to ensure a better relative balance in the share of technical cooperation activities of the various regions, taking into account their respective needs;

6. *Takes note* of the efforts undertaken by the secretariat with a view to diversifying and enhancing its database of consultants and experts, and in particular improving its geographical coverage; *urges* the secretariat to intensify its efforts with a view to making maximum use of capacities from developing countries in the implementation of technical cooperation activities, including local and regional expertise; and *encourages* developing countries to provide names of experts to the secretariat;

7. *Calls upon* the secretariat to consider, in consultation with donors and beneficiaries, whenever possible and appropriate, clustering of activities and formulating umbrella projects to enhance internal coordination and coordination among donors, to create economies of scale, and to support cooperation among developing countries at the subregional, regional and interregional levels;

8. *Encourages* the secretariat to pursue and where appropriate extend the various consultations with interested member States regarding UNCTAD's technical cooperation activities, bearing in mind that these consultations should be transparent and open-ended, and requests the secretariat to report annually on these consultations to the Working Party;

9. *Expresses its appreciation* to the secretariat for its efforts in the preparation of the indicative plan for UNCTAD's technical cooperation activities for 2001, as contained in document TD/B/47/8-TD/B/WP/132; *requests* the secretariat to revise and reissue this document in light of the comments made by the Working Party at its thirty-sixth session; and *also requests* the secretariat to include, in the indicative plan of UNCTAD's technical cooperation for 2002, information on the responses it received from donors to the indicative plan for the year 2001;

10. *Notes with satisfaction* the introduction of a computerized programme (PROMS+), and requests the secretariat to derive the maximum use from this programme, as an additional tool, for the purpose of enhancing internal coordination, strengthening central oversight and monitoring technical cooperation activities, *inter alia* for reporting purposes;

11. *Requests* the secretariat to standardize the presentation of project proposals and the submission of progress reports to donors and beneficiaries and to consistently include performance indicators, impact assessment and evaluation, and in addition *welcomes* information from beneficiary countries on the impact of technical cooperation services they receive from UNCTAD;

12. *Requests* the secretariat to include information in project documents on the relationship between the project and the secretariat's research and policy analysis functions,

with a view to strengthening the integration between the secretariat's research and policy analysis functions and its technical cooperation activities.

Review of the financial sustainability of certain technical cooperation programmes and activities, pursuant to paragraph 164 (viii) of the UNCTAD Plan of Action, in order to ensure sufficient funding

Decision 462 (XLVII)

The Trade and Development Board

1. *Recommends* to the Secretary-General of UNCTAD that he rapidly establish advisory groups for the ASYCUDA, DMFAS and ACIS programmes; such groups would be composed of technical representatives of interested member States, including existing and potential donors and beneficiaries, and the secretariat; these new groups will advise the Secretary-General on a range of issues affecting these programmes, including options for ensuring the financial sustainability of the programmes;

2. *Requests* the Secretary-General of UNCTAD to consider the establishment of a DMFAS trust fund in order to ensure the financial sustainability of the central operation of the DMFAS Programme, as well as the different options and modalities for such a trust fund, and to report to the Working Party at its next session.

Implementation of paragraph 166 of the UNCTAD X Plan of Action

Decision 463 (XLVII)

The Trade and Development Board

1. *Takes note* of the report "Strengthening UNCTAD's capacity-building programmes and activities" (TD/B/WP/133) of 4 September 2000 and *encourages* the Focal Point to continue his work on the implementation of paragraph 166;

2. *Takes note* that the approved budget for UNCTAD for the biennium 2000-2001 does not make provision for the organization of regular training courses from existing regular budget resources or available extrabudgetary resources for the implementation of paragraph 166 of the UNCTAD X Plan of Action (TD/386);

3. *Invites* the Secretary-General of UNCTAD to seek urgently the necessary resources to prepare and deliver three training courses in 2001 by exploring a variety of funding arrangements, including the United Nations programme budget, particularly sections 21 (the regular programme of technical cooperation) and 33 (the Development Account), voluntary contributions and a combination thereof;

4. *Notes with regret* that the detailed costed proposals mandated by paragraph 166 of the UNCTAD X Plan of Action are not yet available, and *calls on* the secretariat to provide such proposals at the latest by the next session of the Working Party;

5. *Reiterates* the importance it attaches to the early and full implementation of paragraph 166 of the UNCTAD X Plan of Action, and *urges* the Secretary-General of UNCTAD to take all necessary measures to this end in the context of the preparation of the programme budget for 2002-2003.

Evaluation of technical cooperation programmes

Decision 464 (XLVII)

The Trade and Development Board

1. *Expresses satisfaction* with the strengthening of the evaluation process in UNCTAD by the integration, on a systematic basis, of both the logical framework approach and participatory evaluation, and *encourages* the Secretary-General of UNCTAD to continue in this direction;

2. *Stresses* the importance of the evaluation process in UNCTAD being adequately funded, using regular budget resources and extrabudgetary resources, and *encourages* the secretariat to consider building evaluation into the budgets of individual programmes where appropriate;

(a) EMPRETEC

3. *Welcomes* the in-depth evaluation of the EMPRETEC Programme (TD/B/WP/129), *commends* the quality of the work undertaken by the evaluation team as well as the support provided by the secretariat and the country programmes in preparing the report, *agrees* with the recommendations contained therein, and *urges* the Secretary-General of UNCTAD to implement the recommendations and report on the implementation at the session of the Working Party in 2001 dealing with technical cooperation;

4. *Stresses* the necessity of implementing these recommendations in order to consolidate the EMPRETEC programme, which is a necessary condition to enhance its effectiveness;

5. *Invites* the secretariat, wherever resources allow, to enhance, after consolidation and improvement of the programme, the geographical coverage of the EMPRETEC Programme, in particular with respect to development of projects in Africa and Asia, and in this respect *invites* the secretariat to use to the maximum extent possible the national experiences existing in these regions as well as in Latin America;

6. *Invites* the secretariat to strengthen its cooperation with other organizations and entities dealing with entrepreneurship so as to take full benefit of potential synergies;

7. *Requests* the UNCTAD secretariat to improve the dissemination of information on the EMPRETEC Programme and to inform Geneva-based delegations of the organization of the annual meetings of EMPRETEC directors;

(b) Follow-up to evaluations

(i) Competition law and policy

8. *Takes note* of the progress report on the implementation of the recommendations arising from the evaluation of the programme of technical cooperation activities on competition law and policy (TD/B/WP/130) and *invites* the secretariat to pursue the implementation of those recommendations;

(ii) Trade Points

9. *Takes note* of the document "Implementation of the Trade Point Programme Strategy: Progress report" (TD/B/WP/128) and the document "Transfer of the ETO system to a non-profit entity" (TD/B/WP(XXXVI)/CRP.1);

10. *Supports* the establishment of a fully representative international Trade Point federation (ITPF), in accordance with the Trade Point Programme strategy approved at the thirty-fourth session of the Working Party;

11. *Requests* the secretariat to prepare a document elaborating details with regard to option 1, transfer of the ETO system to an ITPF, for the information of the members of the Working Party before the end of October 2000;

12. *Requests* the secretariat to begin immediately the tendering process, in conformity with the United Nations Financial Regulations and Rules, for the transfer of the ETO system to a suitable non-profit entity, specifying the possibility of a transfer of the ETO system to the ITPF when it has been established;

13. *Requests* the secretariat to further consult with Trade Points at the World Trade Point Directors Meeting in November 2000 regarding the transfer of the ETO system to the ITPF;

14. *Reaffirms* its decision that the secretariat should proceed with the implementation of the Trade Point Programme strategy in the timeframe agreed;

15. *Encourages* donor countries to make available extrabudgetary resources for capacity-building projects aiming to achieve this objective, as contained in the approved strategy;

16. *Requests* the secretariat to report to the autumn session of the Working Party in the year 2001 on the progress made in the implementation of the strategy, including on the work undertaken and to be undertaken, as well as on the strategy's financial aspects;

(c) Technical cooperation at the mid-term review

17. *Requests* the secretariat to extend the logical framework approach to all projects, to ensure that the required information will be available for examination at the mid-term review;

(d) Future evaluation

18. *Decides* that an in-depth evaluation of the TRAINMAR Programme will be considered at the session of the Working Party in 2001 dealing with technical cooperation.

E. Other business

(Agenda item 9)

Financing of experts from developing countries and economies in transition when participating in UNCTAD meetings

Decision 465 (XLVII)

The Trade and Development Board

1. *Emphasizes* the positive impact of the increased participation of developing countries' experts in UNCTAD expert meetings in 1999 as a result of the use of resources allocated by the General Assembly to finance their participation, both on the quality of deliberations and the geographical representation of participants, including participants from LDCs;

2. *Affirms* the importance it attaches to ensuring ways and means to finance the participation of experts from developing countries and economies in transition in UNCTAD expert meetings on a predictable basis, taking into account the favourable experience up to now;

3. *Invites* the Secretary-General of UNCTAD to seek urgently the necessary resources to finance the participation of experts from developing countries and economies in transition in UNCTAD expert meetings foreseen for 2001;

4. *Urges* the Secretary-General of UNCTAD to take all necessary measures to finance the participation of experts from developing countries and economies in transition in

UNCTAD expert meetings, including in the context of the preparation of the programme budget for 2002-2003;

5. *Notes* the importance of and the need to retain the modalities that were agreed upon for the financing of experts participating in UNCTAD expert meetings.

Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action

Decision 466 (XLVII)

The Trade and Development Board

1. *Decides* to establish an Advisory Body to advise the Secretary-General of UNCTAD, in accordance with paragraph 166 of the Bangkok Plan of Action (TD/386), with the terms of reference annexed hereto; the Advisory Body will not be a subsidiary organ of the Trade and Development Board and will not be part of the intergovernmental structure of UNCTAD;

2. *Decides* that the Trade and Development Board will appoint members of the Advisory Body annually at its regular sessions on the basis of the recommendations of the regional groups;

3. *Requests* the Secretary-General of UNCTAD to report to the forty-eighth session of the Trade and Development Board on the implementation of paragraph 166 of the Plan of Action;

4. *Decides* to review the arrangements for the implementation of the regular training courses provided for in paragraph 166 of the Plan of Action at its next regular session;

5. *Decides further* that the President of the Advisory Body will inform the Board, at its regular sessions, on the activities of the Advisory Body;

6. *Decides* that the Advisory Body will hold its first meeting as soon as the detailed proposals mandated by paragraph 166 of the Bangkok Plan of Action are made available by the secretariat, and *urges* the Secretary-General of UNCTAD to make those proposals available as soon as possible.

Annex

Draft terms of reference of the Advisory Body

Functions of the Advisory Body

1. The Advisory Body will advise the Secretary-General of UNCTAD on the broad objectives, the content and the structure of the regular training courses provided for in paragraph 166 of the Bangkok Plan of Action, and in particular on:

The general orientation and design of the syllabi of the regular courses in order to reflect UNCTAD's development perspective, the criteria for the selection of the trainers and trainees, and the preparation of the training materials;

The content of the courses in light of the evolving key development issues;

Cooperation with academic training and research institutions and independent experts of developed and developing countries and countries with economies in transition that may provide specialist expertise on the content of the courses;

Fund–raising possibilities, particularly through contacts with academic foundations and other national and international sources of finance, taking into account the necessary centralization of fund-raising functions in the Resources Management Service.

2. The Advisory Body may wish to invite experts to contribute to the discussions on certain aspects of its activities whenever necessary.

Composition of the Advisory Body

3. The Advisory Body will be composed of 15 members. Members will be appointed from among representatives of States member of UNCTAD. In their functions as members of the Advisory Body, they will act in their personal capacity. The term of office will be for one year. The geographical distribution of the members will be as follows: 6 from Group A, 3 from Group C, 4 from Group B and 2 from Group D.

4. The President of the Trade and Development Board will be a member of the Advisory Body and will preside over meetings of the Advisory Body.

Meetings of the Advisory Body

5. Meetings of the Advisory Body will be convened by its President. The Advisory Body will hold at least two regular sessions per annum. The Body may hold additional meetings upon request of the Secretary-General of UNCTAD or of any member of the Body. Meetings will take place in Geneva in the UNCTAD secretariat.

6. The Focal Point for the implementation of paragraph 166 will act as secretary of the Advisory Body.

F. Other action taken on substantive items

1. Technical cooperation activities

Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people

1. At its 916th plenary meeting, on 11 October 2000, the Trade and Development Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/47/5) and of the statements made thereon and decided to submit the account of its discussion to the General Assembly in accordance with General Assembly decision 47/445. (For the account, see annex II.)

2. Other matters in the field of trade and development

Progressive development of the law of international trade: thirty-third annual report of the United Nations Commission on International Law

2. At its 917th plenary meeting, on 20 October 2000, the Board took note of the report of UNCITRAL on its thirty-third session (A/55/17).

3. Other business

Timing of the cycles of UNCTAD Conferences and the United Nations programme budget

3. At its 917th plenary meeting, on 20 October 2000, the Board decided that further consultations were needed and that the matter should be taken up at the monthly consultations of the President, with a final decision to be taken at an executive session of the Board.

Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action

4. Having adopted decision 463 (XLVII) on the implementation of paragraph 166, thereby establishing the Advisory Body, the Board mandated the President to receive nominations of individual members of the Advisory Body from the regional groups, to convey the nominations to the Secretary-General of UNCTAD and to inform the members of the Board of the names of the members of the Advisory Body.

Outcome of the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices

5. At its 917th plenary meeting, on 20 October 2000, the Board was informed of the outcome of the Fourth United Nations Review Conference, in particular resolution TD/RBP/CONF.5/15. The recommendation to consider convening an Expert Meeting on Consumer Policy (TD/RBP/CONF.5/15, para. 4) was based on the understanding that that meeting would not be additional to the existing 10 expert meetings in the UNCTAD calendar of meetings.

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The forty-seventh session of the Trade and Development Board was opened on 9 October 2000 by Mr. Philippe Petit (France), the outgoing President of the Board.

B. Election of officers
(Agenda item 1 (a))

2. At its 914th (opening) plenary meeting, on 9 October 2000, the Board elected by acclamation Mr. Camilo Reyes Rodríguez (Colombia) as President of the Board for the duration of its forty-seventh session.

3. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board throughout its forty-seventh session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President:	Mr. Camilo Reyes Rodríguez (Colombia)
Vice-Presidents:	Mr. Andrea Negrotto Cambiaso (Italy) Mr. Oguz Demiralp (Turkey) Mrs. Absa Claud Diallo (Senegal) Mr. Petko Draganov (Bulgaria) Mr. Koichi Haraguchi (Japan) Mr. Nathan Irumba (Uganda) Mrs. Savitri Kunadi (India) Mr. Roberto Lavagna (Argentina) Mr. George E. Moose (United States of America) Mr. Vasily Sidorov (Russian Federation)
Rapporteur:	Ms. Uchanza Wichayachakorn (Thailand)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

(Agenda item 1 (b))

5. At its opening meeting, the Board adopted the provisional agenda for the session contained in TD/B/47/1 and Add.1. (For the agenda as adopted, see annex I below.)

6. At the same meeting, and in accordance with the organization of work for the session in TD/B/47/1, the Board established two sessional committees to consider and report on items on its agenda as follows:

Sessional Committee I:

Item 4: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s: (a) the challenge of financing growth and development in least developed countries; (b) review of the status of the preparatory process for the Third United Nations Conference on Least Developed Countries

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: capital flows and growth in Africa

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairperson:	Mr. J.M. Noirfalisse (Belgium)
Vice-Chairperson-*cum*-Rapporteur:	Mr. Ali Abderahman Mahmoud (Sudan)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson:	Mrs. Fayza Aboulnaga (Egypt)
Vice-Chairperson-*cum*-Rapporteur:	Ms. Yohanna Karanko (Finland)

D. Adoption of the report on credentials

(Agenda item 1 (c))

9. At its 917th plenary meeting, on 20 October 2000, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-seventh session (TD/B/47/10).

E. Provisional agenda for the forty-eighth session of the Board

(Agenda item 1 (d))

10. The Board decided that, following past practice, the Secretary-General of UNCTAD would draw up a draft provisional agenda for the forty-eighth session of the Board and would present it to the Bureau at appropriate monthly consultations of the President of the Board.

F. Review of the calendar of meetings

(Agenda item 8 (a))

11. At its 917th plenary meeting, on 20 October 2000, the Board approved UNCTAD's calendar of meetings (TD/B/47/CRP.1).

G. Administrative and financial implications of the actions of the Board

(Agenda item 8 (b))

12. At the same meeting, the Board was informed that there were no additional financial implications for the current programme budget stemming from the actions taken at the forty-seventh session of the Board.

H. Adoption of the report

(Agenda item 10)

13. At its 917th plenary meeting, on 20 October 2000, the Board took note of the reports of Sessional Committee I (TD/B/47/SC.1/L.1 and Add.1 and 2 and L.2) and Sessional Committee II (TD/B/47/SC.2/L.1 and Add.1 and 2 and L.2) and decided to incorporate them in the final report of the Board on its forty-seventh session.

14. At the same meeting, the Board took note of the Chairman's summary on agenda item 3 (TD/B/47/L.7) and adopted the draft report on its forty-seventh session (TD/B/47/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Annex I

AGENDA FOR THE FORTY-SEVENTH SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Procedural matters:

   (a) Election of officers
   (b) Adoption of the agenda and organization of the work of the session
   (c) Adoption of the report on credentials
   (d) Provisional agenda for the forty-eighth session of the Board

2. Segment for high-level participation: regional integration and the global economy

3. Interdependence and global economic issues from a trade and development perspective: crisis and recovery in emerging markets

4. Review of progress in the implementation of the Programme of Action for Least Developed Countries for the 1990s:

   (a) The challenge of financing growth and development in least developed countries
   (b) Review of the status of the preparatory process for the Third United Nations Conference on the Least Developed Countries

5. UNCTAD contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: capital flows and growth in Africa

6. Technical cooperation activities:

   (a) Review of technical cooperation activities of UNCTAD
   (b) Consideration of other relevant reports: report on UNCTAD assistance to the Palestinian people

7. Other matters in the field of trade and development:

   - Progressive development of the law of international trade: thirty-third annual report of the United Nations Commission on International Trade Law

8. Institutional, organizational, administrative and related matters:

   (a) Review of the calendar of meetings
   (b) Administrative and financial implications of the actions of the Board

9. Other business

   (a) Timing of the cycles of UNCTAD Conferences and the United Nations programme budget

(b) Establishment of an advisory body in accordance with paragraph 166 of the Bangkok Plan of Action

10. Adoption of the report

Annex II

DISCUSSION IN THE TRADE AND DEVELOPMENT BOARD UNDER AGENDA ITEM 6 (b): CONSIDERATION OF OTHER RELEVANT REPORTS: REPORT ON UNCTAD'S ASSISTANCE TO THE PALESTINIAN PEOPLE

1. For its consideration of this item, the Board had before it the following documentation:

"Report on UNCTAD's assistance to the Palestinian people" (TD/B/47/5).

2. The **Coordinator of the Assistance to the Palestinian People Unit** introduced the secretariat report on the item, which reviewed completed, ongoing and pending technical assistance activities and provided a brief account of recent aggregate Palestinian economic performance. He noted that UNCTAD's work-programme of assistance to the Palestinian people was guided by the United Nations medium-term plan for 1998-2001 and by the Bangkok Plan of Action, which welcomed this assistance and called for it to be intensified. In this respect, UNCTAD had met the expectations of the General Assembly and the Conference by providing sustained and concrete assistance to the Palestinian people.

3. UNCTAD's technical assistance activities currently drew upon the range of substantive competencies of the secretariat, grouped within four major substantive areas. Including recently approved projects, by the end of 2000 the secretariat would have secured around 50 per cent of the total funds required to implement all related UNCTAD technical assistance proposals prepared since 1997. Working in close consultation with Palestine, the secretariat had made a number of proposals for technical assistance which had been positively received by several donors. He highlighted progress in several projects relating to key areas of Palestinian capacity building and strategic economic development: national and multilateral trade policy; debt management; support for small and medium-size enterprise development; macroeconomic analysis and simulation; subregional cooperation in trade facilitation; and, strengthening operational capacities in customs administration.

4. The structural problems facing the Palestinian economy, while not insurmountable, spanned a wide range of sectoral and macroeconomic issues and needs. While the post-interim-period political and economic framework should permit a more systematic effort to reorient economic policies, the continued availability of external resources would remain crucial to sustaining the reconstruction and development programme over the coming decade. Enhanced management of external and domestic resources called for a sustained and vigorous commitment by the Palestinian Authority to its recently announced economic reform programme, which the international community had endorsed. He concluded by noting that many tasks remained and the cooperation of all concerned parties and agencies was required if the Palestinian economy was to succeed in breaking away from its adverse legacy. Even in the best of political and security circumstances, this would continue to engage the special

attention of the international community for several years to come. UNCTAD could only hope to contribute selectively to the successful elaboration and implementation of the emerging Palestinian strategic development policy in those areas where the secretariat had established competencies and a successful track record. For this effort to proceed and succeed, and for UNCTAD's assistance to reach its target, the requisite stability on the ground and confidence in the prospects for peace and development must be restored.

5. The representative of **Palestine** said that he deeply appreciated the outstanding efforts of the UNCTAD secretariat in providing assistance to the Palestinian people, and he welcomed the report on UNCTAD's technical assistance projects in this regard. However, it was unfortunate that these efforts could be in vain as a result of the war waged by Israel against the Palestinian people in the occupied territory. During the assault of the last two weeks, in which tanks and heavy weapons had been used, more than 100 Palestinians had been killed and 2,000 injured. The continued military siege of Palestinian cities, villages and camps also besieged the economy and undermined its development and prosperity. Thus, Israel had aborted many UNCTAD projects that aimed to provide the foundation for a strong and independent Palestinian economy. If not halted, this vicious war would have a negative impact on UNCTAD's projects in the future.

6. The Board's session should have been an occasion on which the secretariat was congratulated on its efforts and engaged in a constructive dialogue. But the blow struck by Israel, the occupying power, against the peace process was also a blow against the Palestinian economy and infrastructure, which had suffered from 32 years of destructive Israeli policies. The Palestinian people were awaiting justice from the international community and were expecting solidarity with the martyrs who had been killed at the hands of Israeli soldiers and settlers who did not want prosperity, development, peace or stability. Occupation could not provide the conditions for development, but rather it increased anger, pain and destruction in the occupied homeland. The Palestinian people, in all their sectors and wherever they lived, were determined to resist, in order to regain their legitimate national rights, at the forefront of which was the right to self-determination and establishment of their independent state with Holy Jerusalem as its capital.

7. He concluded by stating that the memory of the Palestinian people was replete with tragedies and agonies, despite which they had hoped for a peace which restored their rights. However, the recent blow struck by Israel had dashed these hopes. Now, the sacrifices of the Palestinian people and the martyrs of the Holy Aqsa had become signposts that lit the way from occupation to liberation, independence and the true and accurate application of international legitimacy so as to achieve a just, comprehensive and lasting solution of the question of Palestine.

8. The representative of the **Islamic Republic of Iran,** speaking on behalf of the **Group of 77 and China,** noted that his Group, as the primary initiator of UNCTAD's work-programme on assistance to the Palestinian people, had followed closely the secretariat's progress in implementing this mandate. He was gratified that, despite many difficulties over

the years, this work had matured into a fully operational programme of technical assistance activities, growing out of a solid base of research and analytical expertise. The Bangkok Plan of Action reflected a consensus at UNCTAD for the first time regarding the importance of this programme and calling for it to be intensified.

9. UNCTAD was now a full partner with the Palestinian Authority and international agencies active in providing assistance to the Palestinian people, providing a diverse package of UNCTAD technical assistance activities grouped under four programmes. This approach was not only well in line with UNCTAD's substantive and technical capacities, but also reflected the wide range of development assistance needs of the Palestinian people as they moved to build their economy after many years of occupation.

10. He warmly congratulated the secretariat on its persistence and innovation in making use of limited resources to deliver maximum benefits to the Palestinian people. In a number of critical areas for the development of the Palestinian economy, the secretariat was providing the Palestinian Authority with valuable advice and technical support which complemented and enhanced the other elements of international technical assistance in this area.

11. The report before the Board correctly noted that the Palestinian economy suffered from the adverse consequences of prolonged occupation and continued to feature a number of longstanding imbalances and structural weaknesses. While recent years had permitted a new policy framework to be adopted to allow for some improvement in economic conditions, the promises of the interim period were unmet, and it had taken several years for the economy to recover from the shocks of the mid-1990s. The Palestinian people still had a long way to go in rebuilding and developing their economy and breaking out of their isolation from regional and global trends. The support of UNCTAD and its continued commitment to assisting the Palestinian people would therefore be vital.

12. Nevertheless, real development could not occur under conditions of military occupation and constant strife. The recent tragic events in the occupied Palestinian territory and the dangers of a wider conflict only served to confirm that belief. Until the Palestinian people were able to establish the independent state of Palestine and exercise their right to self determination, the vicious cycle of violence and instability would only be reinforced and the prospects for peace and development would remain dim. As the world prayed for a peaceful resolution of the conflict, he too hoped that circumstances would soon improve so that UNCTAD was able to pursue its important activities of assistance to the Palestinian people. In conclusion, he expressed sincere appreciation for the significant extrabudgetary support provided for the benefit of the Palestinian people by a number of donor States. He hoped that new donors would soon join them, so as to provide all the resources needed to implement the secretariat's programme of assistance.

13. The representative of the **Islamic Republic of Iran** considered it regrettable to have to consider UNCTAD's report on assistance to the Palestinian people while Palestinians were being killed by Israel. The Declaration of the recent Millennium Summit of the United

Nations stated that no nation should be deprived of its right to development. Yet today the Palestinian nation was not only being deprived of that right but was also being subjected to much brutality. UNCTAD's assistance to the Palestinian people was highly appreciated, and this was confirmed by the Bangkok Plan of Action, which provided further support for this programme. He expressed grave concern and condemnation of the atrocities being committed against the Palestinian people, which among other things would adversely affect the development-oriented activities of the UNCTAD secretariat in this area.

14. The representative of the **League of Arab States** welcomed the secretariat report on activities to assist the Palestinian people in building the economic, commercial and service structures required to improve living standards and eliminate the adverse impact of decades of occupation, which had deprived them of basic requirements, growth and development. The report also highlighted areas of cooperation between UNCTAD and the Palestinian Authority, in regard to which several observations were pertinent. In particular, he noted the special circumstances faced by the Palestinian economy, which had had to start from a weak position. It was emerging from an occupation that had sapped its vitality and deprived all walks of life of the opportunity for normal growth, creating unemployment, poverty and isolation from the external environment.

15. International trade required free movement of goods and services, and indeed globalization was considered by some to imply the erasure of borders through increased trade exchanges and the movement of capital. The European Union had recently reaffirmed the importance it attached to the establishment of a Euro-Mediterranean free trade area, and it was unacceptable that the Palestinian people should be excluded from benefiting from such developments. It was unrealistic to speak of Palestinian trade in such circumstances of isolation and restriction. In the face of such a contradiction between theory and practice, it was unthinkable that the Palestinian Authority could fulfil its trade commitments towards the European Union or be able to integrate into the global economy.

16. He appreciated the many technical cooperation projects that the secretariat report had reviewed, including studies, reports and advice on various issues. However, such assistance, while necessary in order to permit economic take-off, was insufficient if not followed up by concrete measures on the ground and realistic perspectives that would enable the Palestinian people to enjoy the freedom and dignity shared by all peoples. There was an organic link between security and peace on the one hand and development on the other. The Palestinian people and the region as a whole needed a real, balanced and lasting peace to be able to move forward towards social prosperity, harmony and mutual respect. The climate of tension resulting from dangerous Israeli actions, including killing of defenceless children, had impaired development activities and threatened the human resource base of present and future Palestinian generations. Peace was the cornerstone for any development or any future assistance in support of the Palestinian people and the region.

17. The representative of **Egypt** said that this year's deliberations on this item were overshadowed by the bloody events witnessed in the occupied Palestinian territory and the

brutal attacks against Palestinians. For two weeks, the Israeli occupation army had been killing the children and youth of Palestine who had risen up against irresponsible acts aimed at provoking Arabs and Muslims everywhere and thus demonstrated their willingness to die for their beliefs, their right to a homeland, their holy places and the establishment of their state. The brutal treatment of the Palestinian people cast doubt on the real value of the efforts that had been expended for the past decade to end the Palestinian bloodbath and to offer some future for the generation of Palestinians who had experienced nothing but harsh Israeli occupation. She saluted the Palestinian people, who once again had shown the world that they would not compromise on their legitimate rights.

18. She thanked the Assistance to Palestinian People Unit for the comprehensive and systematic report on its recent activities. The report showed that the features of Palestinian economic growth that had arisen under occupation still prevailed, despite the efforts exerted over the interim period. In this regard she highlighted a number of points mentioned in the report which reflected both longstanding structural problems as well as some recent marginal improvements. She agreed with the secretariat that the post-interim period would allow for a major reorientation of economic policies, while the tasks of reconstruction and development would still call for significant external resources.

19. She also commended the secretariat on its approach to programme implementation in this area through flexible delivery modalities, mobilization of support from substantive divisions, the serious steps taken to appoint a Coordinator for the programme, and the growing inter-agency cooperation. While she noted with appreciation the increased support of donors for this programme, she was alarmed that a large deficit remained between required expenditures and available resources. In conclusion, she stated that continued efforts were expected from UNCTAD to assist the Palestinian people in designing economic policies and establishing an effective national administration in the areas of trade, finance and related services. The experience gained in recent years had increased the capacity of the secretariat to intensify these efforts, a move that she strongly encouraged.

20. The representative of **France,** speaking on behalf of the **European Union,** said that the secretariat report was very instructive, as it made it possible to identify some progress. This was a source for hope, despite the scale of the difficulties the report mentioned. He hoped that the Palestinian economy, while still very vulnerable, could be restructured and that trade exchanges within the subregion could be developed. That would depend on the belief that there was a real possibility to arrive at a just, lasting and comprehensive peace in the Middle East on the basis of the principles established in Madrid, Oslo and the subsequent accords and in conformity with the pertinent United Nations resolutions.

21. Despite the current dramatic events, this work of UNCTAD, which was part of the broader efforts of United Nations agencies in support of the Palestinian people, had fully maintained its usefulness. It was designed to train people, reinforce institutional capacities, improve the management of the macro economy, develop small and medium-size enterprises and support trade. In the areas of its competence, UNCTAD had initiated assistance that was

carefully planned, well targeted and demand-driven. Such assistance could support the development of the local economy and help the Palestinian Authority to better serve its people. It thus prepared the ground for the peace that he believed was still possible.

22. The European Union had been the main donor for the Palestinian people since 1994, providing grants for basic needs and loans, and it was also the main extra-regional trade partner of the Palestinian Authority. In concluding, he noted that the Council of Europe had just reaffirmed that, for two peoples that had to coexist, there was no way forward except to resume peace negotiations, and in that connection the Israelis and Palestinians had recently overcome obstacles which had been considered insurmountable. In this critical period, every effort must be made to ensure that fear, hatred and violence did not prevail and that the dialogue for peace could resume.

23. The representative of the **Sudan** said that dangerous developments had taken place in the occupied Palestinian territory in the form of barbaric attacks against the Palestinian people by the Israeli army. This could only reflect negatively on the Board's deliberations on the item this year. These developments demonstrated that the Israeli mentality had still not absorbed the lessons of history, and the Palestinian people's commitment to their land, holy places and right to an independent homeland could never justify such brutality and violence. He saluted the Palestinian people, who had again demonstrated the strength of their conviction concerning the justice of their cause and their determination to regain their rights.

24. The report before the Board showed that the economic situation in the occupied territory had not improved as promised and that it continued to suffer from the obstacles and imbalances caused by Israeli occupation. This deterioration confirmed the fact that there could be no social or economic development under occupation. He was confident that, once circumstances again permitted, the Palestinian economy would have the potential to develop independently, far from Israeli hegemony. The report clearly showed how well prepared the secretariat was to contribute to this effort, as it had undertaken a range of activities to help pave the way for the coming stage of Palestinian independence. The secretariat's programme of activities reflected a sound technical sense and represented a sensitive response to Palestinian development requirements. He appreciated the positive role of donor States so far, and he called for additional support for this programme.

25. The representative of **China** expressed appreciation for the report prepared by the secretariat in an important area of work of UNCTAD. The work of the secretariat over the year had promoted the trade and development of Palestine. Adverse conditions over a prolonged period had reduced the economic prospects of the Palestinian people, but he appreciated the unremitting efforts of the Palestinian people to develop their economy, with the support of the international community.

26. UNCTAD's assistance had evolved over the years, thus facilitating the process of regional and global integration of the Palestinian economy. UNCTAD's assistance in developing the economic policy and regulatory framework had helped to keep economic

development in line with the development of the Palestinian society as a whole. UNCTAD's projects were most useful and reflected the long-term efforts that were needed to address chronic problems. He regretted that it had not been possible for a number of projects to commence owing to budgetary limitations. He noted that, as recent events had again shown, the external environment was responsible for many of the remaining problems facing the Palestinian economy. In concluding he stressed that an independent Palestinian state was necessary to ensure development of the Palestinian economy, and the international community must provide the necessary support.

27. The representative of **Pakistan** said that the discussion on UNCTAD's assistance to the Palestinian people was taking place at a sombre time. The Palestinian's hopes to secure a modicum of development and growth and to realize modest benefits from the interim phase were again being brutally thwarted. The international community again watched with despair and shock the unraveling of painstaking efforts to assist the Palestinian people to embark upon a path of sustained development. The secretariat's report was extremely instructive, especially in that it clearly brought out the extremely difficult policy environment in which the Palestinian people sought to fulfil their developmental aspirations.

28. The report highlighted the fact that the Palestinian people were still locked into a situation where they could not rely upon their own capacities to develop because of an inhibiting environment. While recent years had seen some growth, the report correctly noted that such growth spurts had already been seen in the past, only to be followed by steep decline owing to the economy's vulnerability to external pressures and shocks. Tragically, once again the Palestinian economy was being subjected to a similar shock and thus the report's optimism regarding the prospects for a systematic effort to reorient macroeconomic policies would appear to be misplaced. In such a situation, the specific assistance activities by UNCTAD for the Palestinian people were laudable, but their effectiveness and durability were not certain. Recent events had borne out the need for a more unflinching assessment of the policy environment in which the Palestinian people sought to advance economically.

29. Finally, the international community needed to acknowledge the indivisibility of a just peace and meaningful development. It was unacceptable that the Palestinian people should have to pursue their efforts to develop in a situation where these efforts could be swept away by the arbitrary and callous actions of the occupying power. The international community needed to recognize that its efforts to assist the Palestinian people would lead nowhere if these efforts took place in an occupier-occupied framework. Discussions on technical assistance would appear farcical to the people of Palestine if they continued to take place in a context where children got shot and young people confronted death and incarceration.

30. The representative of **Israel** said that, in discussions on this agenda item in previous years, his delegation had always tried to focus on the matter at hand, despite attempts by others to use the opportunity to further political goals not directly related to UNCTAD. In light of the renewed introduction of political issues into the Board's deliberations and because of the gravity of the situation in the Middle East, he was obliged to outline briefly the

position of the Government of Israel regarding the Middle East peace process and the events of recent days.

31. Israel was committed to reaching a comprehensive peace in the Middle East and had done its utmost to further peace negotiations. In negotiations with the Palestinians, and especially during the Camp David Summit, Israel had made far-reaching proposals, making a supreme effort to move towards conclusion of the conflict. This position was fully appreciated by world leaders. The moment of truth had now arrived, and it was time for leaders of both parties to make bold and courageous decisions. However, the Palestinian side seemed to have chosen another route, that of violence.

32. Israel would not make further concessions as a result of violent pressure, and the only way to reach agreement with its Palestinian neighbours would be at the negotiating table. Despite repeated calls by Israel, a clear, unequivocal and authoritative Palestinian statement calling upon the Palestinians to cease hostilities had yet to be heard. Israeli security forces and civilians had been exposed to hundreds of attacks across the West Bank and Gaza, while instructions to Israeli forces had been unequivocal in insisting upon the minimum use of violence.

33. He was hopeful that wisdom and caution would prevail and that Israel's neighbours would issue clear instructions to calm the situation down and then return to the negotiating table. However, rather than calls for restoring calm, just the opposite had been witnessed so far. Nevertheless, he hoped that the violence would soon be left behind and that it would be possible to return to the negotiating table and renew the efforts, which had begun with the 1993 Oslo Accords and which had culminated at the Camp David Summit.

34. He went on to state that Israel welcomed the report prepared by the secretariat on this item. With a few exceptions, it was evident that the report was professional, and he congratulated the secretariat for this attitude, which he hoped would continue in the future. Israel strongly supported the strengthening of the Palestinian economy and infrastructure, and had been working together with the Palestinians to further this goal. He noted the different areas of economic cooperation between the parties, including through employment of Palestinians in Israel, significant trade flows between the partners, the creation of industrial parks, and training of Palestinian professionals in various fields.

35. In conclusion, he stated that even during the tragic events of the last few days, Israel had tried to allow the economic environment to function as normally as possible. The Secretary-General of the United Nations and other world leaders were working around the clock in order to get the peace process back on track. Only through negotiations and dialogue could a lasting, comprehensive peace be achieved, which would have a tremendous impact on the issue under discussion today, namely the economic development of the Palestinians.

36. The representative of the **United States of America** said that his delegation associated itself with the supportive comments made on UNCTAD's efforts to assist the

Palestinian people. This was an endeavour that had the complete support of the United States of America, which had a complementary programme of assistance to the Palestinian people. He also agreed with the statements by the League of Arab States and Egypt to the effect that real lasting peace was necessary for development. His country called upon all parties in the region to join in resuming the peace process with a view to achieving a real and lasting peace in the Middle East, and it would continue to do its best to contribute to the success of that process for the benefit of all peoples in the region. He hoped that the current efforts of the United Nations Secretary-General and other world leaders would soon lead to a solution that would offer continued economic growth for the Palestinian people and their neighbours.

37. The representative of **Cuba** voiced serious concern about the disparity between events in the occupied Palestinian territory and the picture drawn by the secretariat report. While the report did not give reason for much optimism, it showed that UNCTAD and the international community were making efforts for the development of the Palestinian people. There was a contradiction between the contents of the secretariat report and actual events on the ground. As long as the rights of the Palestinian people were not respected, and as long as the Palestinians continued to be denied justice and to be attacked, they would not be able to benefit from such efforts.

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